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SENATE TAXATION
EXHIBIT NO. 8
2-8-2013
SB 208

To: Senator Bruce Tutvedt
Senate Tax Committee

From: Brian Staley
Corporate Tax Unit Manager

Date: February 5, 2013

Subject: Information Requests – SB 208 Repeal of Water's Edge

Following is the response to your information request regarding the Senate hearing of SB 208.

Question: Do other states tax water's edge filers at a different tax rate than worldwide filers?

For the seven states that require or allow worldwide combined reporting, it appears Montana and Idaho are the two states that tax water's edge filers at a higher tax rate than a corporation filing a worldwide combined return. The other five states appear to tax water's edge filers at the same tax rate as worldwide filers.

	<u>Regular Tax Rate</u>	<u>Water's Edge Tax Rate</u>
Montana	6.75%	7%
Alaska	1% to 9.4% max	1% to 9.4% max
California	8.84%	8.84%
Idaho	7.6%	7.6%
North Dakota	6.4%	6.4% plus 3.5% surtax
Utah	6%	6%
West Virginia	8.5%	8.5%